



QUARTERLY STATEMENT

AS OF MARCH 31, 2006  
OF THE CONDITION AND AFFAIRS OF THE

Fidelis SecureCare of Michigan Inc.

|                                       |  |                |                                    |  |                      |            |
|---------------------------------------|--|----------------|------------------------------------|--|----------------------|------------|
| NAIC Group Code                       | 3744   | 3744           | NAIC Company Code                  | 10769                                      | Employer's ID Number | 30-0312489 |
|                                       | (Current Period)   | (Prior Period) |                                    |  |                      |            |
| Organized under the Laws of           | Michigan   |                |                                    | State of Domicile or Port of Entry         | Michigan             |            |
| Country of Domicile                   | United States of America   |                |                                    |  |                      |            |
| Licensed as business type:            | Life, Accident & Health [ ]      Property/Casualty [ ]      Dental Service Corporation [ ]<br>Vision Service Corporation [ ]      Other [ ]      Health Maintenance Organization [ X ]<br>Hospital, Medical & Dental Service or Indemnity [ ]      Is HMO, Federally Qualified? Yes [ X ] No [ ] |                |                                    |  |                      |            |
| Incorporated/Organized                | 12/09/2004   |                | Commenced Business                 | 07/15/2005                                 |                      |            |
| Statutory Home Office                 | 38777 West Six Mile Road, Suite 207  |                |                                    | Livonia, MI 48152                          |                      |            |
|                                       | (Street and Number)  |                |                                    | (City or Town, State and Zip Code)         |                      |            |
| Main Administrative Office            | 1700 East Golf Road, Suite 1115  |                | Schaumburg, IL 60173               | 847-605-0501                               |                      |            |
|                                       | (Street and Number)  |                | (City or Town, State and Zip Code) | (Area Code) (Telephone Number)             |                      |            |
| Mail Address                          | 1700 East Golf Road, Suite 1115  |                | Schaumburg, IL 60173               |  |                      |            |
|                                       | (Street and Number or P.O. Box)  |                | (City or Town, State and Zip Code) |  |                      |            |
| Primary Location of Books and Records | 1700 East Golf Road, Suite 1115  |                | Schaumburg, IL 60173               | 847-605-0501                               |                      |            |
|                                       | (Street and Number)  |                | (City or Town, State and Zip Code) | (Area Code) (Telephone Number)             |                      |            |
| Internet Website Address              | www.fidelissc.com  |                |                                    |  |                      |            |
| Statutory Statement Contact           | Tim Duffy Mr   |                |                                    | 847-605-0501                               |                      |            |
|                                       | (Name)   |                |                                    | (Area Code) (Telephone Number) (Extension) |                      |            |
|                                       | tim.duffy@fidelissc.com  |                |                                    | 847-517-1085                               |                      |            |
|                                       | (E-mail Address)   |                |                                    | (FAX Number)                               |                      |            |
| Policyowner Relations Contact         | 38777 West Six Mile Road, Suite 207  |                | Livonia, MI 48152                  | 734-779-1681                               |                      |            |
|                                       | (Street and Number)  |                | (City or Town, State and Zip Code) | (Area Code) (Telephone Number) (Extension) |                      |            |

OFFICERS

| Name                   | Title     | Name          | Title     |
|------------------------|-----------|---------------|-----------|
| Samuel Willcoxon       | President | David Goltz # | Treasurer |
| Harold Scott Sarra n # | Secretary |               |           |

OTHER OFFICERS

DIRECTORS OR TRUSTEES

State of .....Illinois.....  
County of .....Cook.....      ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

|  |                          |   |
|--|--------------------------|---|
| Samuel Willcoxon<br>President                              | David Goltz<br>Treasurer | Harold Scott Sarra n<br>Secretary   |
| Subscribed and sworn to before me this _____ day of _____, |                          | a. Is this an original filing?      Yes [ X ] No [ ]  |
| PeggySue Wilson,   |                          | b. If no,<br>1. State the amendment number      _____<br>2. Date filed      _____<br>3. Number of pages attached      _____ |

STATEMENT AS OF MARCH 31, 2006 OF THE  
Fidelis SecureCare of Michigan Inc.

ASSETS

|  | Current Statement Date |                         |   | 4<br>December 31<br>Prior Year Net<br>Admitted Assets |
|--|------------------------|-------------------------|---|---|
|  | 1<br>Assets            | 2<br>Nonadmitted Assets | 3<br>Net Admitted Assets<br>(Cols. 1 - 2) |   |
| 1. Bonds .....   | 518,713                |                         | 518,713                                   | 517,763   |
| 2. Stocks:   |                        |                         |   |   |
| 2.1 Preferred stocks .....   |                        |                         | 0   | 0   |
| 2.2 Common stocks .....  |                        |                         | 0   | 1,108,170   |
| 3. Mortgage loans on real estate:  |                        |                         |   |   |
| 3.1 First liens .....  |                        |                         | 0   | 0   |
| 3.2 Other than first liens .....   |                        |                         | 0   | 0   |
| 4. Real estate:  |                        |                         |   |   |
| 4.1 Properties occupied by the company (less<br>\$ ..... encumbrances) .....   |                        |                         | 0   | 0   |
| 4.2 Properties held for the production of income<br>(less \$ ..... encumbrances) .....   |                        |                         | 0   | 0   |
| 4.3 Properties held for sale (less<br>\$ ..... encumbrances) .....   |                        |                         | 0   | 0   |
| 5. Cash (\$ .....111,888 ),<br>cash equivalents (\$ .....0 )<br>and short-term investments (\$ .....1,105,762 ) .....                                      | 1,217,650              |                         | 1,217,650                                 | 312,952   |
| 6. Contract loans, (including \$ .....premium notes)   |                        |                         | 0   | 0   |
| 7. Other invested assets .....   | 0                      | 0                       | 0   | 0   |
| 8. Receivables for securities .....  |                        |                         | 0   | 0   |
| 9. Aggregate write-ins for invested assets .....   | 0                      | 0                       | 0   | 0   |
| 10. Subtotals, cash and invested assets (Lines 1 to 9) .....   | 1,736,363              | 0                       | 1,736,363                                 | 1,938,885   |
| 11. Title plants less \$ .....charged off (for Title insurers<br>only) .....   |                        |                         | 0   | 0   |
| 12. Investment income due and accrued .....  | 13,868                 |                         | 13,868                                    | 5,958   |
| 13. Premiums and considerations:   |                        |                         |   |   |
| 13.1 Uncollected premiums and agents' balances in the course of<br>collection .....  | 843,741                |                         | 843,741                                   | 160,092   |
| 13.2 Deferred premiums, agents' balances and installments booked but<br>deferred and not yet due (including \$ .....earned<br>but unbilled premiums) ..... |                        |                         | 0   | 0   |
| 13.3 Accrued retrospective premiums .....  |                        |                         | 0   | 0   |
| 14. Reinsurance:   |                        |                         |   |   |
| 14.1 Amounts recoverable from reinsurers .....   |                        |                         | 0   | 0   |
| 14.2 Funds held by or deposited with reinsured companies .....   |                        |                         | 0   | 0   |
| 14.3 Other amounts receivable under reinsurance contracts .....  |                        |                         | 0   | 0   |
| 15. Amounts receivable relating to uninsured plans .....   |                        |                         | 0   | 0   |
| 16.1 Current federal and foreign income tax recoverable and interest thereon .....   |                        |                         | 0   | 0   |
| 16.2 Net deferred tax asset .....  |                        |                         | 0   | 0   |
| 17. Guaranty funds receivable or on deposit .....  |                        |                         | 0   | 0   |
| 18. Electronic data processing equipment and software .....  |                        |                         | 0   | 0   |
| 19. Furniture and equipment, including health care delivery assets<br>(\$ ..... ) .....  |                        |                         | 0   | 0   |
| 20. Net adjustment in assets and liabilities due to foreign exchange rates .....   |                        |                         | 0   | 0   |
| 21. Receivables from parent, subsidiaries and affiliates .....   |                        |                         | 0   | 0   |
| 22. Health care (\$ ..... ) and other amounts receivable .....   | 199,179                | 62,800                  | 136,379                                   | 106,000   |
| 23. Aggregate write-ins for other than invested assets .....   | 0                      | 0                       | 0   | 0   |
| 24. Total assets excluding Separate Accounts, Segregated Accounts and<br>Protected Cell Accounts (Lines 10 to 23)  | 2,793,151              | 62,800                  | 2,730,351                                 | 2,210,935   |
| 25. From Separate Accounts, Segregated Accounts and Protected<br>Cell Accounts .....   |                        |                         | 0   | 0   |
| 26. Total (Lines 24 and 25)  | 2,793,151              | 62,800                  | 2,730,351                                 | 2,210,935   |
| DETAILS OF WRITE-INS   |                        |                         |   |   |
| 0901. ....   |                        |                         |   |   |
| 0902. ....   |                        |                         |   |   |
| 0903. ....   |                        |                         |   |   |
| 0998. Summary of remaining write-ins for Line 9 from overflow page .....   | 0                      | 0                       | 0   | 0   |
| 0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)   | 0                      | 0                       | 0   | 0   |
| 2301. ....   |                        |                         |   |   |
| 2302. ....   |                        |                         |   |   |
| 2303. ....   |                        |                         |   |   |
| 2398. Summary of remaining write-ins for Line 23 from overflow page .....  | 0                      | 0                       | 0   | 0   |
| 2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)  | 0                      | 0                       | 0   | 0   |

STATEMENT AS OF MARCH 31, 2006 OF THE  
Fidelis SecureCare of Michigan Inc.

LIABILITIES, CAPITAL AND SURPLUS

|  | Current Period |                |            | Prior Year |
|--|----------------|----------------|------------|------------|
|  | 1<br>Covered   | 2<br>Uncovered | 3<br>Total | 4<br>Total |
| 1. Claims unpaid (less \$ ..... reinsurance ceded)   | 936,724        |                | 936,724    | 572,474    |
| 2. Accrued medical incentive pool and bonus amounts  |                |                | 0          | 0          |
| 3. Unpaid claims adjustment expenses   | 1,000          |                | 1,000      | 1,000      |
| 4. Aggregate health policy reserves  |                |                | 0          | 0          |
| 5. Aggregate life policy reserves  |                |                | 0          | 0          |
| 6. Property/casualty unearned premium reserve  |                |                | 0          | 0          |
| 7. Aggregate health claim reserves   |                |                | 0          | 0          |
| 8. Premiums received in advance  |                |                | 0          | 0          |
| 9. General expenses due or accrued   | 101,811        |                | 101,811    | 46,496     |
| 10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized gains (losses)) |                |                | 0          | 0          |
| 10.2 Net deferred tax liability  |                |                | 0          | 0          |
| 11. Ceded reinsurance premiums payable   |                |                | 0          | 0          |
| 12. Amounts withheld or retained for the account of others   | 2,559          |                | 2,559      | 3,609      |
| 13. Remittances and items not allocated  |                |                | 0          | 0          |
| 14. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current)               |                |                | 0          | 0          |
| 15. Amounts due to parent, subsidiaries and affiliates   |                |                | 0          | 0          |
| 16. Payable for securities   |                |                | 0          | 0          |
| 17. Funds held under reinsurance treaties with (\$ ..... authorized reinsurers and \$ ..... unauthorized reinsurers)     |                |                | 0          | 0          |
| 18. Reinsurance in unauthorized companies  |                |                | 0          | 0          |
| 19. Net adjustments in assets and liabilities due to foreign exchange rates  |                |                | 0          | 0          |
| 20. Liability for amounts held under uninsured plans   |                |                | 0          | 0          |
| 21. Aggregate write-ins for other liabilities (including \$ ..... current)   | 0              | 0              | 0          | 0          |
| 22. Total liabilities (Lines 1 to 21)  | 1,042,094      | 0              | 1,042,094  | 623,579    |
| 23. Aggregate write-ins for special surplus funds  | XXX            | XXX            | 0          | 0          |
| 24. Common capital stock   | XXX            | XXX            | 1          | 1          |
| 25. Preferred capital stock  | XXX            | XXX            |            | 0          |
| 26. Gross paid in and contributed surplus  | XXX            | XXX            | 1,599,999  | 1,599,999  |
| 27. Surplus notes  | XXX            | XXX            |            | 0          |
| 28. Aggregate write-ins for other than special surplus funds   | XXX            | XXX            | 0          | 0          |
| 29. Unassigned funds (surplus)   | XXX            | XXX            | 88,257     | (12,644)   |
| 30. Less treasury stock, at cost:  |                |                |            |            |
| 30.1 ..... shares common (value included in Line 24)   |                |                |            |            |
| \$ ..... )   | XXX            | XXX            |            | 0          |
| 30.2 ..... shares preferred (value included in Line 25)  |                |                |            |            |
| \$ ..... )   | XXX            | XXX            |            | 0          |
| 31. Total capital and surplus (Lines 23 to 29 minus Line 30)   | XXX            | XXX            | 1,688,257  | 1,587,356  |
| 32. Total liabilities, capital and surplus (Lines 22 and 31)   | XXX            | XXX            | 2,730,351  | 2,210,935  |
| DETAILS OF WRITE-INS   |                |                |            |            |
| 2101. ....   |                |                |            |            |
| 2102. ....   |                |                |            |            |
| 2103. ....   |                |                |            |            |
| 2198. Summary of remaining write-ins for Line 21 from overflow page  | 0              | 0              | 0          | 0          |
| 2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)  | 0              | 0              | 0          | 0          |
| 2301. ....   | XXX            | XXX            |            |            |
| 2302. ....   | XXX            | XXX            |            |            |
| 2303. ....   | XXX            | XXX            |            |            |
| 2398. Summary of remaining write-ins for Line 23 from overflow page  | XXX            | XXX            | 0          | 0          |
| 2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)  | XXX            | XXX            | 0          | 0          |
| 2801. ....   | XXX            | XXX            |            |            |
| 2802. ....   | XXX            | XXX            |            |            |
| 2803. ....   | XXX            | XXX            |            |            |
| 2898. Summary of remaining write-ins for Line 28 from overflow page  | XXX            | XXX            | 0          | 0          |
| 2899. Totals (Lines 2801 thru 2803 plus 2898) (Line 28 above)  | XXX            | XXX            | 0          | 0          |

STATEMENT AS OF MARCH 31, 2006 OF THE  
Fidelis SecureCare of Michigan Inc.

STATEMENT OF REVENUE AND EXPENSES

|  | Current Year To Date |            | Prior Year To Date |
|--|----------------------|------------|--------------------|
|  | 1<br>Uncovered       | 2<br>Total | 3<br>Total         |
| 1. Member Months.....  | XXX                  | .698       | .0                 |
| 2. Net premium income (including \$ .....1,496,042 non-health premium income).....   | XXX                  | 1,496,042  | .0                 |
| 3. Change in unearned premium reserves and reserve for rate credits .....  | XXX                  |            | .0                 |
| 4. Fee-for-service (net of \$ ..... medical expenses) .....  | XXX                  |            | .0                 |
| 5. Risk revenue .....  | XXX                  |            | .0                 |
| 6. Aggregate write-ins for other health care related revenues .....  | XXX                  | .0         | .0                 |
| 7. Aggregate write-ins for other non-health revenues .....   | XXX                  | .0         | .0                 |
| 8. Total revenues (Lines 2 to 7) .....   | XXX                  | 1,496,042  | .0                 |
| <b>Hospital and Medical:</b>   |                      |            |                    |
| 9. Hospital/medical benefits .....   |                      | .773,532   | .0                 |
| 10. Other professional services .....  |                      | 74,066     | .0                 |
| 11. Outside referrals .....  |                      |            | .0                 |
| 12. Emergency room and out-of-area .....   |                      | .1,034     | .0                 |
| 13. Prescription drugs .....   |                      | 277,496    | .0                 |
| 14. Aggregate write-ins for other hospital and medical.....  | .0                   | .0         | .0                 |
| 15. Incentive pool, withhold adjustments and bonus amounts.....  |                      |            | .0                 |
| 16. Subtotal (Lines 9 to 15) .....   | .0                   | 1,126,128  | .0                 |
| <b>Less:</b>   |                      |            |                    |
| 17. Net reinsurance recoveries .....   |                      |            | .0                 |
| 18. Total hospital and medical (Lines 16 minus 17) .....   | .0                   | 1,126,128  | .0                 |
| 19. Non-health claims (net).....   |                      |            | .0                 |
| 20. Claims adjustment expenses, including \$ 6,591 ..... cost containment expenses.....  |                      | .6,591     | .0                 |
| 21. General administrative expenses.....   |                      | 214,094    | .0                 |
| 22. Increase in reserves for life and accident and health contracts including<br>\$ ..... increase in reserves for life only).....         |                      |            | .0                 |
| 23. Total underwriting deductions (Lines 18 through 22) .....  | .0                   | 1,346,813  | .0                 |
| 24. Net underwriting gain or (loss) (Lines 8 minus 23) .....   | XXX                  | 149,229    | .0                 |
| 25. Net investment income earned .....   |                      | 14,472     | .0                 |
| 26. Net realized capital gains (losses) less capital gains tax of \$.....  |                      |            | .0                 |
| 27. Net investment gains (losses) (Lines 25 plus 26) .....   | .0                   | 14,472     | .0                 |
| 28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered<br>\$ ..... ) (amount charged off \$ ..... )] ..... |                      |            | .0                 |
| 29. Aggregate write-ins for other income or expenses .....   | .0                   | .0         | .0                 |
| 30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus<br>27 plus 28 plus 29) .....     | XXX                  | 163,701    | .0                 |
| 31. Federal and foreign income taxes incurred .....  | XXX                  |            | .0                 |
| 32. Net income (loss) (Lines 30 minus 31) .....  | XXX                  | 163,701    | 0                  |
| <b>DETAILS OF WRITE-INS</b>  |                      |            |                    |
| 0601. ....   | XXX                  |            |                    |
| 0602. ....   | XXX                  |            |                    |
| 0603. ....   | XXX                  |            |                    |
| 0698. Summary of remaining write-ins for Line 6 from overflow page .....   | XXX                  | .0         | .0                 |
| 0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above) .....   | XXX                  | 0          | 0                  |
| 0701. ....   | XXX                  |            |                    |
| 0702. ....   | XXX                  |            |                    |
| 0703. ....   | XXX                  |            |                    |
| 0798. Summary of remaining write-ins for Line 7 from overflow page .....   | XXX                  | .0         | .0                 |
| 0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above) .....   | XXX                  | 0          | 0                  |
| 1401. ....   |                      |            |                    |
| 1402. ....   |                      |            |                    |
| 1403. ....   |                      |            |                    |
| 1498. Summary of remaining write-ins for Line 14 from overflow page .....  | .0                   | .0         | .0                 |
| 1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above) .....  | 0                    | 0          | 0                  |
| 2901. ....   |                      |            |                    |
| 2902. ....   |                      |            |                    |
| 2903. ....   |                      |            |                    |
| 2998. Summary of remaining write-ins for Line 29 from overflow page .....  | .0                   | .0         | .0                 |
| 2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above) .....  | 0                    | 0          | 0                  |

STATEMENT AS OF MARCH 31, 2006 OF THE  
Fidelis SecureCare of Michigan Inc.

STATEMENT OF REVENUE AND EXPENSES (Continued)

|  | 1<br>Current Year<br>to Date | 2<br>Prior Year<br>to Date | 3<br>Prior Year |
|--|------------------------------|----------------------------|-----------------|
| CAPITAL AND SURPLUS ACCOUNT:   |                              |                            |                 |
| 33. Capital and surplus prior reporting year.....                                      | 1,587,356                    | 0                          | 0               |
| 34. Net income or (loss) from Line 32 .....  | 163,701                      | 0                          | (12,644)        |
| 35. Change in valuation basis of aggregate policy and claim reserves .....             |                              | 0                          | 0               |
| 36. Change in net unrealized capital gains (losses) less capital gains tax of \$ ..... |                              | 0                          | 0               |
| 37. Change in net unrealized foreign exchange capital gain or (loss) .....             |                              | 0                          | 0               |
| 38. Change in net deferred income tax .....  |                              | 0                          | 0               |
| 39. Change in nonadmitted assets .....   | (62,800)                     | 0                          | 0               |
| 40. Change in unauthorized reinsurance .....   | 0                            | 0                          | 0               |
| 41. Change in treasury stock .....   |                              | 0                          | 0               |
| 42. Change in surplus notes .....  | 0                            | 0                          | 0               |
| 43. Cumulative effect of changes in accounting principles .....                        |                              | 0                          | 0               |
| 44. Capital Changes:   |                              |                            |                 |
| 44.1 Paid in .....   |                              | 0                          | 1               |
| 44.2 Transferred from surplus (Stock Dividend) .....                                   |                              | 0                          | 0               |
| 44.3 Transferred to surplus .....  |                              | 0                          | 0               |
| 45. Surplus adjustments:   |                              |                            |                 |
| 45.1 Paid in .....   |                              | 0                          | 1,599,999       |
| 45.2 Transferred to capital (Stock Dividend) .....                                     | 0                            | 0                          | 0               |
| 45.3 Transferred from capital .....  |                              | 0                          | 0               |
| 46. Dividends to stockholders .....  |                              | 0                          | 0               |
| 47. Aggregate write-ins for gains or (losses) in surplus .....                         | 0                            | 0                          | 0               |
| 48. Net change in capital & surplus (Lines 34 to 47) .....                             | 100,901                      | 0                          | 1,587,356       |
| 49. Capital and surplus end of reporting period (Line 33 plus 48)                      | 1,688,257                    | 0                          | 1,587,356       |
| DETAILS OF WRITE-INS   |                              |                            |                 |
| 4701. ....   |                              |                            |                 |
| 4702. ....   |                              |                            |                 |
| 4703. ....   |                              |                            |                 |
| 4798. Summary of remaining write-ins for Line 47 from overflow page .....              | 0                            | 0                          | 0               |
| 4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above)                          | 0                            | 0                          | 0               |

STATEMENT AS OF MARCH 31, 2006 OF THE  
Fidelis SecureCare of Michigan Inc.

CASH FLOW

|  | 1<br>Current Year<br>To Date | 2<br>Prior Year Ended<br>December 31 |
|--|------------------------------|--------------------------------------|
| <b>Cash from Operations</b>  |                              |                                      |
| 1. Premiums collected net of reinsurance.....  | 812,393                      | 654,555                              |
| 2. Net investment income .....   | 6,562                        | 28,313                               |
| 3. Miscellaneous income .....  | 0                            | (106,000)                            |
| 4. Total (Lines 1 to 3) .....  | 818,955                      | 576,868                              |
| 5. Benefits and loss related payments .....  | 761,878                      | 174,663                              |
| 6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....                                       |                              | 0                                    |
| 7. Commissions, expenses paid and aggregate write-ins for deductions .....   | 220,684                      | 68,754                               |
| 8. Dividends paid to policyholders .....   |                              | 0                                    |
| 9. Federal and foreign income taxes paid (recovered) \$ ..... net of tax on capital gains (losses)                       | 0                            | 0                                    |
| 10. Total (Lines 5 through 9) .....  | 982,562                      | 243,417                              |
| 11. Net cash from operations (Line 4 minus Line 10) .....  | (163,607)                    | 333,451                              |
| <b>Cash from Investments</b>   |                              |                                      |
| 12. Proceeds from investments sold, matured or repaid:   |                              |                                      |
| 12.1 Bonds .....   | 0                            | 0                                    |
| 12.2 Stocks .....  | 1,069,355                    | 0                                    |
| 12.3 Mortgage loans .....  | 0                            | 0                                    |
| 12.4 Real estate .....   | 0                            | 0                                    |
| 12.5 Other invested assets .....   | 0                            | 0                                    |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....                                    | 2,881                        | 0                                    |
| 12.7 Miscellaneous proceeds .....  | 0                            | 0                                    |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7) .....  | 1,072,236                    | 0                                    |
| 13. Cost of investments acquired (long-term only):   |                              |                                      |
| 13.1 Bonds .....   | 0                            | 515,938                              |
| 13.2 Stocks .....  | 0                            | 1,108,170                            |
| 13.3 Mortgage loans .....  | 0                            | 0                                    |
| 13.4 Real estate .....   | 0                            | 0                                    |
| 13.5 Other invested assets .....   | 0                            | 0                                    |
| 13.6 Miscellaneous applications .....  | 2,881                        | 0                                    |
| 13.7 Total investments acquired (Lines 13.1 to 13.6) .....   | 2,881                        | 1,624,108                            |
| 14. Net increase (or decrease) in contract loans and premium notes .....   | 0                            | 0                                    |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....  | 1,069,355                    | (1,624,108)                          |
| <b>Cash from Financing and Miscellaneous Sources</b>   |                              |                                      |
| 16. Cash provided (applied):   |                              |                                      |
| 16.1 Surplus notes, capital notes .....  | 0                            | 0                                    |
| 16.2 Capital and paid in surplus, less treasury stock.....   | 0                            | 1,600,000                            |
| 16.3 Borrowed funds .....  | 0                            | 0                                    |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities .....  |                              | 0                                    |
| 16.5 Dividends to stockholders .....   | 0                            | 0                                    |
| 16.6 Other cash provided (applied).....  | (1,050)                      | 3,609                                |
| 17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) ..... | (1,050)                      | 1,603,609                            |
| <b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>   |                              |                                      |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Lines 15 and 17) .....                 | 904,698                      | 312,952                              |
| 19. Cash, cash equivalents and short-term investments:   |                              |                                      |
| 19.1 Beginning of year.....  | 312,952                      | 0                                    |
| 19.2 End of period (Line 18 plus Line 19.1) .....  | 1,217,650                    | 312,952                              |

STATEMENT AS OF MARCH 31, 2006 OF THE  
Fidelis SecureCare of Michigan Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

|   | 1         | Comprehensive<br>(Hospital & Medical) |       | 4                      | 5              | 6              | 7  | 8                       | 9                     | 10           | 11                   | 12                | 13    |
|---|-----------|---------------------------------------|-------|------------------------|----------------|----------------|--|-------------------------|-----------------------|--------------|----------------------|-------------------|-------|
|   |           | 2                                     | 3     |                        |                |                |  |                         |                       |              |                      |                   |       |
|   | Total     | Individual                            | Group | Medicare<br>Supplement | Vision<br>Only | Dental<br>Only | Federal<br>Employees<br>Health Benefit<br>Plan | Title XVIII<br>Medicare | Title XIX<br>Medicaid | Stop<br>Loss | Disability<br>Income | Long-Term<br>Care | Other |
| <b>Total Members at end of:</b>                             |           |                                       |       |                        |                |                |  |                         |                       |              |                      |                   |       |
| 1. Prior Year .....   | 192       | 0                                     | 0     | 0                      | 0              | 0              | 0  | 192                     | 0                     | 0            | 0                    | 0                 | 0     |
| 2. First Quarter .....                                      | 251       |                                       |       |                        |                |                |  | 251                     |                       |              |                      |                   |       |
| 3. Second Quarter .....                                     | 0         |                                       |       |                        |                |                |  |                         |                       |              |                      |                   |       |
| 4. Third Quarter .....                                      | 0         |                                       |       |                        |                |                |  |                         |                       |              |                      |                   |       |
| 5. Current Year   | 0         |                                       |       |                        |                |                |  |                         |                       |              |                      |                   |       |
| 6. Current Year Member Months                               | 698       |                                       |       |                        |                |                |  | 698                     |                       |              |                      |                   |       |
| <b>Total Member Ambulatory Encounters for Period:</b>       |           |                                       |       |                        |                |                |  |                         |                       |              |                      |                   |       |
| 7. Physician .....  | 0         |                                       |       |                        |                |                |  |                         |                       |              |                      |                   |       |
| 8. Non-Physician .....                                      | 0         |                                       |       |                        |                |                |  |                         |                       |              |                      |                   |       |
| 9. Total  | 0         | 0                                     | 0     | 0                      | 0              | 0              | 0  | 0                       | 0                     | 0            | 0                    | 0                 | 0     |
| 10. Hospital Patient Days Incurred                          | 118       |                                       |       |                        |                |                |  | 118                     |                       |              |                      |                   |       |
| 11. Number of Inpatient Admissions                          | 23        |                                       |       |                        |                |                |  | 23                      |                       |              |                      |                   |       |
| 12. Health Premiums Written .....                           | 1,517,607 |                                       |       |                        |                |                |  | 1,517,607               |                       |              |                      |                   |       |
| 13. Life Premiums Direct .....                              | 0         |                                       |       |                        |                |                |  |                         |                       |              |                      |                   |       |
| 14. Property/Casualty Premiums Written .....                | 0         |                                       |       |                        |                |                |  |                         |                       |              |                      |                   |       |
| 15. Health Premiums Earned .....                            | 1,517,607 |                                       |       |                        |                |                |  | 1,517,607               |                       |              |                      |                   |       |
| 16. Property/Casualty Premiums Earned .....                 | 0         |                                       |       |                        |                |                |  |                         |                       |              |                      |                   |       |
| 17. Amount Paid for Provision of Health Care Services ..... | 762,911   |                                       |       |                        |                |                |  | 762,911                 |                       |              |                      |                   |       |
| 18. Amount Incurred for Provision of Health Care Services   | 1,126,128 |                                       |       |                        |                |                |  | 1,126,128               |                       |              |                      |                   |       |

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STATEMENT AS OF MARCH 31, 2006 OF THE  
Fidelis SecureCare of Michigan Inc.

UNDERWRITING AND INVESTMENT EXHIBIT  
ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

| Line of Business                                    | Claims<br>Paid Year to Date   |   | Liability<br>End of Current Quarter                      |   | 5<br><br>Claims Incurred<br>in Prior Years<br>(Columns 1 + 3) | 6<br><br>Estimated Claim<br>Reserve and Claim<br>Liability<br>Dec. 31 of<br>Prior Year |
|---|---|---|--|---|---|--|
|   | 1<br><br>On<br>Claims Incurred Prior<br>to January 1 of<br>Current Year | 2<br><br>On<br>Claims Incurred<br>During the Year | 3<br><br>On<br>Claims Unpaid<br>Dec. 31<br>of Prior Year | 4<br><br>On<br>Claims Incurred<br>During the Year |   |  |
| 1. Comprehensive (hospital & medical) .....         |   |   |  |   | .0  | .0   |
| 2. Medicare Supplement .....                        |   |   |  |   | .0  | .0   |
| 3. Dental Only .....                                |   |   |  |   | .0  | .0   |
| 4. Vision Only .....                                |   |   |  |   | .0  | .0   |
| 5. Federal Employees Health Benefits Plan .....     |   |   |  |   | .0  | .0   |
| 6. Title XVIII - Medicare .....                     | .510,067  | .282,190  | .32,459  | .904,265  | .542,526  | .572,474   |
| 7. Title XIX - Medicaid .....                       |   |   |  |   | .0  | .0   |
| 8. Other Health .....                               |   |   |  |   | .0  | .0   |
| 9. Health Subtotal (Lines 1 to 8).....              | .510,067  | .282,190  | .32,459  | .904,265  | .542,526  | .572,474   |
| 10. Healthcare receivables (a) .....                | .30,379   |   |  |   | .30,379   | .0   |
| 11. Other non-health .....                          |   |   |  |   | .0  | .0   |
| 12. Medical incentive pools and bonus amounts ..... |   |   |  |   | .0  | .0   |
| 13. Totals  | 479,688   | 282,190   | 32,459   | 904,265   | 512,147   | 572,474  |

(a) Excludes \$ ..... loans and advances to providers not yet expensed.

**STATEMENT AS OF MARCH 31, 2006 OF THE  
Fidelis SecureCare of Michigan Inc.**

## **NOTES TO FINANCIAL STATEMENTS**

### **1. Summary of Significant Accounting Policies**

#### **A. Accounting Practices** No material changes

The financial statements of Fidelis SecureCare of Michigan Inc. are presented on the basis of accounting practices prescribed or permitted by the State of Michigan Department of Insurance.

Fidelis SecureCare of Michigan Inc is licensed and domiciled as a Health Maintenance Organization in the State of Michigan. The company is authorized to write Medicare business as a Medicare Advantage plan. The State of Michigan Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the State of Michigan for determining and reporting the financial condition and results of operations of a Health Maintenance Organization, for determining its solvency under the Michigan Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual*, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Michigan. In NAIC SAP, some assets, such as prepaid expenses are not admitted. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices.

**Cash and Cash Equivalents** – Cash and cash equivalents include highly liquid investments that are both readily convertible to known amounts of cash, and so near to their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash also includes savings accounts, and certificates of deposits with original maturities of three months or less.

**Short Term Investments** – Short term investments include investments with remaining maturities of one year or less at the time of acquisition.

In December 2003, the Emerging Issues Task Force ("EITF") issued EITF 03-1, The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments. EITF 03-1 specifies certain quantitative and qualitative disclosures for debt and marketable equity securities classified as available for sale or held-to maturity and where costs exceeds market value at the balance sheet date but for which an other-than-temporary impairment has not been recognized. As of December 31, 2005 the cost basis of securities (amortized cost), \$517,763 exceeded its fair value by \$2,656 for US governments due to mature between one and five years from balance sheet date. The fair value of this instrument as of December 31, 2005 is \$515,107. Given the characteristics of the security, management believes that the carrying amount of the security is recoverable as of December 31, 2005.

#### **B. Use of Estimates in the Preparation of the Financial Statements**

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

#### **C. Accounting Policy**

Health premiums are earned monthly over the terms of the related insurance contracts or policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

The amount of dividends to be paid to policyholders is determined annually by the Company's Board of Directors. The aggregate amount of policyholders' dividends is related to actual interest, mortality, morbidity, and expense experience for the year and judgment as to the appropriate level of statutory surplus to be retained by the Company.

In addition, the company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Common Stocks at market except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 10 % or more (per SSAP 88) are carried on the equity basis. Bonds not backed by other loans are stated at amortized cost using the constant yield interest method.
- (3) The Company anticipates investment income as a factor in the premium deficiency calculation.
- (4) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- (5) The Company has not modified its capitalization policy from the prior period.

### **2. Accounting Changes and Corrections of Errors**

Not Applicable

**STATEMENT AS OF MARCH 31, 2006 OF THE  
Fidelis SecureCare of Michigan Inc.**

**NOTES TO FINANCIAL STATEMENTS**

3. Business Combinations and Goodwill

Not Applicable

4. Discontinued Operations

Not Applicable

5. Investments

See Note 1

6. Joint Ventures, Partnerships and Limited Liability Companies

The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies.

7. Investment Income

Investment income includes interest and dividend income due and unpaid on bonds and short term investments. All amounts have been admitted at 3/31/2006.

8. Derivative Instruments

Not applicable

9. Income Taxes

3. Fidelis SecureCare of Michigan Inc files consolidated Federal Tax returns with its parent, Fidelis SenioreCare Inc. Two affiliated companies, Fidelis SecureCare of Colorado Inc and Fidelis SecureCare of Michigan Inc also file in that consolidated tax return. Subsidiary federal tax liability shall be paid to the parent company and filed as part of a consolidated federal tax return. The group's consolidated federal tax liability shall be apportioned for purposes of computing earnings and profits in accordance with the method provided in Section 1552(a)(1) of the Code and Regulations Section 1.1552-1(a)(1). The group's unitary tax liability shall be apportioned for tax purposes in accordance with the requirements of applicable state law, or, if none, as reasonably determined by Fidelis.

- A. There are no deferred tax assets reported as of March 31, 2006. This will be incorporated in the annual report for the first year we commence writing business.
- B. There are no deferred tax liabilities reported as of March 31, 2006. This will be incorporated, if applicable in the annual filing in the first year we commence writing business
- C. Current income taxes incurred consist of the following components:

Total estimated current Federal taxes payable as of 12/31/2005 are \$0

10. Information Concerning Parent, Subsidiaries and Affiliates

- A. The Company paid no dividends to the Parent Company through March 31, 2006.
- B. At March 31, 2006, Fidelis SecureCare of Michigan reported \$80,710 as amounts due to the Parent Company, Fidelis SeniorCare Inc. This amount due to the parent is for the administrative services Fidelis SeniorCare Inc. provides to the health plan, Fidelis SecureCare of Michigan Inc.. Fidelis SecureCare of Michigan settles all intercompany transactions with the parent entity within 31 days of the end of fiscal periods.
- C All outstanding shares of Fidelis SecureCare of Michigan are owned by the Parent Company, Fidelis SeniorCare Inc, an insurance holding company domiciled in the State of Delaware.

11. Debt

Not applicable

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

**STATEMENT AS OF MARCH 31, 2006 OF THE  
Fidelis SecureCare of Michigan Inc.**

**NOTES TO FINANCIAL STATEMENTS**

Not applicable

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

- (1) The Company has 100 shares authorized (.01 par), 100 shares issued and 100 shares outstanding. All shares are Common shares.
- (2) The Company has no preferred stock outstanding.
- (3) All shareholder dividends are paid out of Earned Surplus .
- (4) No extraordinary dividends or other extraordinary distributions to its shareholder until 30 days after the commissioner has received notice of the declaration thereof and has not within such period disapproved such payment within such thirty day period. For purposes of this section, an extraordinary dividend or distribution includes any dividend or distribution of cash or other property, whose fair market value together with that of other dividends or distributions made within the preceding twelve months exceeds the greater of ten percent of such insurer's surplus as regards policyholders as of December 31 next preceding, or the net gain from operations of such insurer, not including realized capital gains, for the twelve-month period ending December 31. Any other provision of law to the contrary notwithstanding, an insurer may declare an extraordinary dividend or distribution which is conditional upon the commissioner's approval thereof, and such a declaration confers no rights upon shareholders until the commissioner has approved the payment of such dividend or distribution or the commissioner has not disapproved such payment within the thirty-day period
- (5) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- (6) The total amount of advances to surplus not repaid is \$0.

14. Contingencies

Not applicable

15. Leases

A. Lessee Operating Lease

- (1) There is no commitment for the Company.
- (2) The company is not involved in any material sales – leaseback transactions.

16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk

Not applicable

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not applicable

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

Not applicable

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not applicable

20. September 11 Events

Not applicable

21. Other Items – no material changes

22. Events Subsequent - not applicable

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

NOTES TO FINANCIAL STATEMENTS

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?
- Yes ( ) No ( X )
- If yes, give full details.
- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?
- Yes ( ) No ( X )
- If yes, give full details.

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?
- Yes ( ) No ( X )
- a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate \$\_\_\_\_\_.
- b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability for these agreements in this statement? \$\_\_\_\_\_.
- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?
- Yes ( ) No ( X )
- If yes, give full details.

Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of payment or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$\_0\_\_\_\_\_
- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?
- Yes ( ) No ( X )
- If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments? \$\_\_\_\_\_

B. Uncollectible Reinsurance

The Company has written off in the current year reinsurance balances due (from the companies listed below) in the amount of: \$\_0\_\_\_\_\_, which is reflected as:

- |                                       |           |
|---------------------------------------|-----------|
| (1) Losses incurred                   | \$ 0_____ |
| (2) Loss adjustment expenses incurred | \$ 0_____ |
| (3) Premiums earned                   | \$ 0_____ |
| (4) Other                             | \$ 0_____ |

C. Commutation of Ceded Reinsurance

## NOTES TO FINANCIAL STATEMENTS

The Company has reported \$0 in its operations in the current year as a result of commutation of reinsurance.

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not applicable

25. Change in Incurred Claims and Claim Adjustment Expenses

Not applicable

26. Intercompany Pooling Arrangements

Not applicable

27. Structured Settlements

Not applicable.

28. Health Care Receivables

As of March 31, 2006 Fidelis SecureCare of Michigan had \$199,179 in advances to medical providers. These are advances that will be recouped when claims are adjudicated in relation to these providers. Of the \$199,179 in advances, \$62,800 is non-admitted as it is over 90 days old as of March 31, 2006.

29. Participating Policies

The Company paid dividends in the amount of \$0 to policyholders and did not allocate any additional income to such policyholders.

30. Premium Deficiency Reserves

As of March 31, 2006 the Company had liabilities of \$0 related to premium deficiency reserves. The Company did not consider anticipated investment income when calculating its premium deficiency reserves.

31. Anticipated Salvage and Subrogation

Not applicable

STATEMENT AS OF MARCH 31, 2006 OF THE  
Fidelis SecureCare of Michigan Inc.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

PART 1 - COMMON INTERROGATORIES  
GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? .....

Yes [ ] No [X]
- 1.2

If yes, has the report been filed with the domiciliary state? .....

Yes [ ] No [ ]
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? .....

Yes [ ] No [X]
- 2.2

If yes, date of change: .....

If not previously filed, furnish herewith a certified copy of the instrument as amended.
3.

Have there been any substantial changes in the organizational chart since the prior quarter end? .....

Yes [ ] No [X]

If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? .....

Yes [ ] No [X]
- 4.2

If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

|                |                   |                   |
|----------------|-------------------|-------------------|
| 1              | 2                 | 3                 |
| Name of Entity | NAIC Company Code | State of Domicile |
|                |                   |                   |

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? .....

Yes [ ] No [X] NA [ ]

If yes, attach an explanation.
- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made. ....
- 6.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ....
- 6.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ....
- 6.4

By what department or departments?  
.....
- 7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?.....

Yes [ ] No [X]
- 7.2

If yes, give full information:  
.....
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?.....

Yes [ ] No [X]
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.  
.....
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?.....

Yes [ ] No [X]
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

|                |                           |     |     |     |      |     |
|----------------|---------------------------|-----|-----|-----|------|-----|
| 1              | 2                         | 3   | 4   | 5   | 6    | 7   |
| Affiliate Name | Location<br>(City, State) | FRB | OCC | OTS | FDIC | SEC |
|                |                           |     |     |     |      |     |

STATEMENT AS OF MARCH 31, 2006 OF THE  
Fidelis SecureCare of Michigan Inc.

GENERAL INTERROGATORIES

FINANCIAL

- 9.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [X]
- 9.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:.....\$ .....

INVESTMENT

- 10.1 Has there been any change in the reporting entity's own preferred or common stock? ..... Yes [ ] No [X]
- 10.2 If yes, explain:  
.....

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) ..... Yes [ ] No [X]
- 11.2 If yes, give full and complete information relating thereto:  
.....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: .....\$ .....0

13. Amount of real estate and mortgages held in short-term investments: .....\$ .....0

- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? ..... Yes [ ] No [X]
- 14.2 If yes, please complete the following:

|  | 1   | 2                                  |
|--|---|------------------------------------|
|  | Prior Year-End<br>Book/Adjusted<br>Carrying Value | Current Quarter<br>Statement Value |
| 14.21 Bonds .....  | \$ .....  | \$ .....                           |
| 14.22 Preferred Stock .....  | \$ .....  | \$ .....                           |
| 14.23 Common Stock .....   | \$ .....  | \$ .....                           |
| 14.24 Short-Term Investments .....   | \$ .....  | \$ .....                           |
| 14.25 Mortgage Loans on Real Estate .....  | \$ .....  | \$ .....                           |
| 14.26 All Other .....  | \$ .....  | \$ .....                           |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)..... | \$ .....0   | \$ .....0                          |
| 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....                      | \$ .....  | \$ .....                           |

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? ..... Yes [ ] No [X]
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? ..... Yes [ ] No [ ]

If no, attach a description with this statement.

16. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV.H - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? ..... Yes [ ] No [X]
- 16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

| 1                    | 2                 |
|----------------------|-------------------|
| Name of Custodian(s) | Custodian Address |
|                      |                   |

- 16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

| 1       | 2           | 3                       |
|---------|-------------|-------------------------|
| Name(s) | Location(s) | Complete Explanation(s) |
|         |             |                         |

- 16.3 Have there been any changes, including name changes in the custodian(s) identified in 16.1 during the current quarter? ..... Yes [ ] No [X]
- 16.4 If yes, give full and complete information relating thereto:

| 1             | 2             | 3              | 4      |
|---------------|---------------|----------------|--------|
| Old Custodian | New Custodian | Date of Change | Reason |
|               |               |                |        |

- 16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

| 1                               | 2       | 3       |
|---------------------------------|---------|---------|
| Central Registration Depository | Name(s) | Address |
|                                 |         |         |

- 17.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? ..... Yes [X] No [ ]
- 17.2 If no, list exceptions:  
.....



STATEMENT AS OF MARCH 31, 2006 OF THE  
Fidelis SecureCare of Michigan Inc.

SCHEDULE A - VERIFICATION

Real Estate

|   | 1            | 2                               |
|---|--------------|---------------------------------|
|   | Year to Date | Prior Year Ended<br>December 31 |
| 1. Book/adjusted carrying value, December 31 of prior year                                  | 0            | 0                               |
| 2. Increase (decrease) by adjustment  |              | 0                               |
| 3. Cost of acquired   |              | 0                               |
| 4. Cost of additions to and permanent improvements  |              | 0                               |
| 5. Total profit (loss) on sales   |              | 0                               |
| 6. Increase (decrease) by foreign exchange adjustment                                       |              | 0                               |
| 7. Amount received on sales   |              | 0                               |
| 8. Book/adjusted carrying value at end of current period                                    | 0            | 0                               |
| 9. Total valuation allowance  |              | 0                               |
| 10. Subtotal (Lines 8 plus 9)   | 0            | 0                               |
| 11. Total nonadmitted amounts   |              | 0                               |
| 12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column) | 0            | 0                               |

SCHEDULE B – VERIFICATION

Mortgage Loans

|  | 1            | 2                               |
|--|--------------|---------------------------------|
|  | Year to Date | Prior Year Ended<br>December 31 |
| 1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year           | 0            | 0                               |
| 2. Amount loaned during period:  |              |                                 |
| 2.1. Actual cost at time of acquisitions   |              | 0                               |
| 2.2. Additional investment made after acquisitions   |              | 0                               |
| 3. Accrual of discount and mortgage interest points and commitment fees  |              | 0                               |
| 4. Increase (decrease) by adjustment   |              | 0                               |
| 5. Total profit (loss) on sale   |              | 0                               |
| 6. Amounts paid on account or in full during the period  |              | 0                               |
| 7. Amortization of premium   |              | 0                               |
| 8. Increase (decrease) by foreign exchange adjustment  |              | 0                               |
| 9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period             | 0            | 0                               |
| 10. Total valuation allowance  |              | 0                               |
| 11. Subtotal (Lines 9 plus 10)   | 0            | 0                               |
| 12. Total nonadmitted amounts  |              | 0                               |
| 13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column) | 0            | 0                               |

SCHEDULE BA – VERIFICATION

Other Invested Assets

|  | 1            | 2                               |
|--|--------------|---------------------------------|
|  | Year to Date | Prior Year Ended<br>December 31 |
| 1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year        | 0            | 0                               |
| 2. Cost of acquisitions during period:   |              |                                 |
| 2.1. Actual cost at time of acquisitions   |              | 0                               |
| 2.2. Additional investment made after acquisitions   |              | 0                               |
| 3. Accrual of discount   |              | 0                               |
| 4. Increase (decrease) by adjustment   |              | 0                               |
| 5. Total profit (loss) on sale   |              | 0                               |
| 6. Amounts paid on account or in full during the period  |              | 0                               |
| 7. Amortization of premium   |              | 0                               |
| 8. Increase (decrease) by foreign exchange adjustment  |              | 0                               |
| 9. Book/adjusted carrying value of long-term invested assets at end of current period                | 0            | 0                               |
| 10. Total valuation allowance  |              | 0                               |
| 11. Subtotal (Lines 9 plus 10)   | 0            | 0                               |
| 12. Total nonadmitted amounts  |              | 0                               |
| 13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3) | 0            | 0                               |

SCHEDULE D – VERIFICATION

Bonds and Stocks

|  | 1            | 2                               |
|--|--------------|---------------------------------|
|  | Year to Date | Prior Year Ended<br>December 31 |
| 1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year | 1,625,933    | 0                               |
| 2. Cost of bonds and stocks acquired   |              | 1,624,108                       |
| 3. Accrual of discount   | 950          | 1,825                           |
| 4. Increase (decrease) by adjustment   |              | 0                               |
| 5. Increase (decrease) by foreign exchange adjustment                          |              | 0                               |
| 6. Total profit (loss) on disposal   |              | 0                               |
| 7. Consideration for bonds and stocks disposed of                              | 1,108,170    | 0                               |
| 8. Amortization of premium   |              | 0                               |
| 9. Book/adjusted carrying value, current period                                | 518,713      | 1,625,933                       |
| 10. Total valuation allowance  |              | 0                               |
| 11. Subtotal (Lines 9 plus 10)   | 518,713      | 1,625,933                       |
| 12. Total nonadmitted amounts  |              | 0                               |
| 13. Statement value  | 518,713      | 1,625,933                       |

STATEMENT AS OF MARCH 31, 2006 OF THE  
Fidelis SecureCare of Michigan Inc.

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

|                                     | 1<br>Book/Adjusted<br>Carrying Value<br>Beginning of<br>Current Quarter | 2<br>Acquisitions<br>During<br>Current Quarter | 3<br>Dispositions<br>During<br>Current Quarter | 4<br>Non-Trading<br>Activity<br>During<br>Current Quarter | 5<br>Book/Adjusted<br>Carrying Value<br>End of<br>First Quarter | 6<br>Book/Adjusted<br>Carrying Value<br>End of<br>Second Quarter | 7<br>Book/Adjusted<br>Carrying Value<br>End of<br>Third Quarter | 8<br>Book/Adjusted<br>Carrying Value<br>December 31<br>Prior Year |
|-------------------------------------|---|--|--|---|---|--|---|---|
| <b>BONDS</b>                        |   |  |  |   |   |  |   |   |
| 1. Class 1 .....                    | 517,763   | 1,102,881                                      |  | 3,831   | 1,624,475   | 0  | 0   | 517,763   |
| 2. Class 2 .....                    | 0   |  |  |   | 0   | 0  | 0   | 0   |
| 3. Class 3 .....                    | 0   |  |  |   | 0   | 0  | 0   | 0   |
| 4. Class 4 .....                    | 0   |  |  |   | 0   | 0  | 0   | 0   |
| 5. Class 5 .....                    | 0   |  |  |   | 0   | 0  | 0   | 0   |
| 6. Class 6 .....                    | 0   |  |  |   | 0   | 0  | 0   | 0   |
| 7. Total Bonds                      | 517,763   | 1,102,881                                      | 0  | 3,831   | 1,624,475   | 0  | 0   | 517,763   |
| <b>PREFERRED STOCK</b>              |   |  |  |   |   |  |   |   |
| 8. Class 1 .....                    | 0   |  |  |   | 0   | 0  | 0   | 0   |
| 9. Class 2 .....                    | 0   |  |  |   | 0   | 0  | 0   | 0   |
| 10. Class 3 .....                   | 0   |  |  |   | 0   | 0  | 0   | 0   |
| 11. Class 4 .....                   | 0   |  |  |   | 0   | 0  | 0   | 0   |
| 12. Class 5 .....                   | 0   |  |  |   | 0   | 0  | 0   | 0   |
| 13. Class 6 .....                   | 0   |  |  |   | 0   | 0  | 0   | 0   |
| 14. Total Preferred Stock           | 0   | 0  | 0  | 0   | 0   | 0  | 0   | 0   |
| 15. Total Bonds and Preferred Stock | 517,763   | 1,102,881                                      | 0  | 3,831   | 1,624,475   | 0  | 0   | 517,763   |

SCHEDULE DA - PART 1

| Short-Term Investments Owned End of Current Quarter |                                 |           |             |                                    |  |
|---|---------------------------------|-----------|-------------|------------------------------------|--|
|   | 1                               | 2         | 3           | 4                                  | 5  |
|   | Book/Adjusted<br>Carrying Value | Par Value | Actual Cost | Interest Collected<br>Year To Date | Paid for Accrued<br>Interest<br>Year To Date |
| 8299999 Totals                                      | 1,105,762                       | XXX       | 1,102,881   | 106                                | 0  |

SCHEDULE DA - PART 2- VERIFICATION

| Short-Term Investments Owned  |              |                                 |
|---|--------------|---------------------------------|
|   | 1            | 2                               |
|   | Year To Date | Prior Year Ended<br>December 31 |
| 1. Book/adjusted carrying value, December 31 of prior year.....       | 0            | 0                               |
| 2. Cost of short-term investments acquired .....                      | 1,102,881    | 0                               |
| 3. Increase (decrease) by adjustment .....                            | 2,881        | 0                               |
| 4. Increase (decrease) by foreign exchange adjustment .....           |              | 0                               |
| 5. Total profit (loss) on disposal of short-term investments .....    |              | 0                               |
| 6. Consideration received on disposal of short-term investments ..... |              | 0                               |
| 7. Book/adjusted carrying value, current period .....                 | 1,105,762    | 0                               |
| 8. Total valuation allowance .....                                    |              | 0                               |
| 9. Subtotal (Lines 7 plus 8) .....                                    | 1,105,762    | 0                               |
| 10. Total nonadmitted amounts .....                                   |              | 0                               |
| 11. Statement value (Lines 9 minus 10) .....                          | 1,105,762    | 0                               |
| 12. Income collected during period .....                              | 106          | 0                               |
| 13. Income earned during period .....                                 | 10,083       | 0                               |

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

Schedule S

NONE

STATEMENT AS OF MARCH 31, 2006 OF THE  
Fidelis SecureCare of Michigan Inc.

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

| Current Year to Date - Allocated by States and Territories                |                              |                                     |                                   |                      |                    |  |   |                            |   |
|---|------------------------------|-------------------------------------|-----------------------------------|----------------------|--------------------|--|---|----------------------------|---|
| States, Etc.  | 1                            | 2                                   | Direct Business Only Year-to-Date |                      |                    |  |   |                            |   |
|   |                              |                                     | 3                                 | 4                    | 5                  | 6  | 7   | 8                          |   |
|   | Guaranty Fund<br>(Yes or No) | Is Insurer Licensed?<br>(Yes or No) | Accident and Health<br>Premiums   | Medicare Title XVIII | Medicaid Title XIX | Federal Employees Health Benefit Program<br>Premiums | Life and Annuity Premiums and Deposit-Type Contract Funds | Property/Casualty Premiums |   |
| 1. Alabama .....  | AL                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 2. Alaska .....   | AK                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 3. Arizona .....  | AZ                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 4. Arkansas .....   | AR                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 5. California .....   | CA                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 6. Colorado .....   | CO                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 7. Connecticut .....  | CT                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 8. Delaware .....   | DE                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 9. District of Columbia .....   | DC                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 10. Florida .....   | FL                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 11. Georgia .....   | GA                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 12. Hawaii .....  | HI                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 13. Idaho .....   | ID                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 14. Illinois .....  | IL                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 15. Indiana .....   | IN                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 16. Iowa .....  | IA                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 17. Kansas .....  | KS                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 18. Kentucky .....  | KY                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 19. Louisiana .....   | LA                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 20. Maine .....   | ME                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 21. Maryland .....  | MD                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 22. Massachusetts .....   | MA                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 23. Michigan .....  | MI                           | Yes                                 |                                   | 1,517,607            |                    |  |   |                            |   |
| 24. Minnesota .....   | MN                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 25. Mississippi .....   | MS                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 26. Missouri .....  | MO                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 27. Montana .....   | MT                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 28. Nebraska .....  | NE                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 29. Nevada .....  | NV                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 30. New Hampshire .....   | NH                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 31. New Jersey .....  | NJ                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 32. New Mexico .....  | NM                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 33. New York .....  | NY                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 34. North Carolina .....  | NC                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 35. North Dakota .....  | ND                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 36. Ohio .....  | OH                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 37. Oklahoma .....  | OK                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 38. Oregon .....  | OR                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 39. Pennsylvania .....  | PA                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 40. Rhode Island .....  | RI                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 41. South Carolina .....  | SC                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 42. South Dakota .....  | SD                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 43. Tennessee .....   | TN                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 44. Texas .....   | TX                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 45. Utah .....  | UT                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 46. Vermont .....   | VT                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 47. Virginia .....  | VA                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 48. Washington .....  | WA                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 49. West Virginia .....   | WV                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 50. Wisconsin .....   | WI                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 51. Wyoming .....   | WY                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 52. American Samoa .....  | AS                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 53. Guam .....  | GU                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 54. Puerto Rico .....   | PR                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 55. U.S. Virgin Islands .....   | VI                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 56. Northern Mariana Islands .....  | MP                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 57. Canada .....  | CN                           | No                                  |                                   |                      |                    |  |   |                            |   |
| 58. Aggregate Other Alien .....   | OT                           | XXX                                 | 0                                 | 0                    | 0                  | 0  | 0   | 0                          | 0 |
| 59. Subtotal .....  |                              | XXX                                 | 0                                 | 1,517,607            | 0                  | 0  | 0   | 0                          | 0 |
| 60. Reporting entity contributions for Employee Benefit Plans .....       |                              | XXX                                 |                                   |                      |                    |  |   |                            |   |
| 61. Total (Direct Business) .....   | XXX                          | (a) 1                               | 0                                 | 1,517,607            | 0                  | 0  | 0   | 0                          | 0 |
| DETAILS OF WRITE-INS  |                              |                                     |                                   |                      |                    |  |   |                            |   |
| 5801. ....  |                              |                                     |                                   |                      |                    |  |   |                            |   |
| 5802. ....  |                              |                                     |                                   |                      |                    |  |   |                            |   |
| 5803. ....  |                              |                                     |                                   |                      |                    |  |   |                            |   |
| 5898. Summary of remaining write-ins for Line 58 from overflow page ..... |                              |                                     | 0                                 | 0                    | 0                  | 0  | 0   | 0                          | 0 |
| 5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above) .....    |                              |                                     | 0                                 | 0                    | 0                  | 0  | 0   | 0                          | 0 |

(a) Insert the number of yes responses except for Canada and other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART

|   |  |  |  |  |  |   |  |
|---|--|--|--|--|--|---|--|
|   |  |  |  |  |  |   |  |
|   |  |  | Fidelis SeniorCare Inc. Group Code 3744                  |  |  |   |  |
|   |  |  |  |  |  |   |  |
|   |  |  |  |  |  |   |  |
| Fidelis SecureCare of North<br>Carolina Inc Company Code<br>12288 |  |  | Fidelis SecureCare of Michigan<br>Inc Company Code 10769 |  |  | Fidelis SecureCare of<br>Colorado Inc<br>Company Code 12286 |  |
|   |  |  |  |  |  |   |  |

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**OVERFLOW PAGE FOR WRITE-INS**

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Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 1

NONE

Schedule B - Part 2

NONE

Schedule BA - Part 1

NONE

Schedule BA - Part 2

NONE

Schedule D - Part 3

NONE



STATEMENT AS OF MARCH 31, 2006 OF THE  
Fidelis SecureCare of Michigan Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter

| 1   | 2           | 3           | 4             | 5                        | 6                         | 7             | 8         | 9           | 10                                      | Change in Book/Adjusted Carrying Value    |  |   |  |  | 16   | 17                                       | 18                               | 19                            | 20   | 21            | 22                                       |     |
|---|-------------|-------------|---------------|--------------------------|---------------------------|---------------|-----------|-------------|---|---|--|---|--|--|--|--|----------------------------------|-------------------------------|--|---------------|--|-----|
|   |             |             |               |                          |                           |               |           |             |   | 11  | 12                                       | 13  | 14                                       | 15   |  |  |                                  |                               |  |               |  |     |
| CUSIP Identification                                | Description | Filing Date | Disposal Date | Name of Purchaser        | Number of Shares of Stock | Consideration | Par Value | Actual Cost | Prior Year Book/Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization)/ Accretion | Current Year's Other Than Temporary Impairment Recognized | Total Change in B/A, C.V. (11 + 12 - 13) | Total Foreign Exchange Change in B/A, C.V. | Book/ Adjusted Carrying Value at Disposal Date | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Bond Interest/Stock Dividends Received During Year | Maturity Date | NAIC Designation or Market Indicator (a) |     |
| 6599999 - total - Bonds                             |             |             |               |                          |                           | 0             | 0.00      | 0           | 0                                       | 0   | 0  | 0   | 0  | 0  | 0  | 0  | 0                                | 0                             | 0  | XXX           | XXX                                      |     |
| 6599999 - total - Preferred Stocks                  |             |             |               |                          |                           | 0             | XXX       | 0           | 0                                       | 0   | 0  | 0   | 0  | 0  | 0  | 0  | 0                                | 0                             | 0  | XXX           | XXX                                      |     |
| 000000-00-0, Comerica Money Market Account          |             |             | 01/18/2006    | Comerica Bank            | 1,100,335,000             | 1,100,335     |           | 1,100,335   | 1,100,335                               |   |  |   | 0  |  | 1,100,335                                      |  |                                  | 0                             |  |               |  | L   |
| 000000-00-0, Evergreen Money Market Fund            |             |             | 01/01/2006    | Reclassify to Short Term | 7,835,000                 | 7,835         | XXX       | 1,108,170   | 1,108,170                               |   |  |   | 0  |  | 1,108,170                                      |  |                                  |                               |  |               |  | L   |
| 7199999 - Common Stocks - Money Market Mutual Funds |             |             |               |                          |                           | 1,108,170     | XXX       | 1,108,170   | 1,108,170                               |   |  |   |  |  | 1,108,170                                      |  |                                  |                               |  |               | XXX                                      |     |
| 7299997 - Common Stocks - Part 4                    |             |             |               |                          |                           | 1,108,170     | XXX       | 1,108,170   | 1,108,170                               | 0   | 0  | 0   | 0  | 0  | 1,108,170                                      | 0  | 0                                | 0                             | 0  | 0             | XXX                                      | XXX |
| 7299999 - total - Common Stocks                     |             |             |               |                          |                           | 1,108,170     | XXX       | 1,108,170   | 1,108,170                               | 0   | 0  | 0   | 0  | 0  | 1,108,170                                      | 0  | 0                                | 0                             | 0  | 0             | XXX                                      | XXX |
| 7399999 - total - Preferred and Common Stocks       |             |             |               |                          |                           |               |           |             |   |   |  |   |  |  |  |  |                                  |                               |  |               |  |     |
| 7499999 Totals                                      |             |             |               |                          |                           | 1,108,170     | XXX       | 1,108,170   | 1,108,170                               | 0   | 0  | 0   | 0  | 0  | 1,108,170                                      | 0  | 0                                | 0                             | 0  | 0             | XXX                                      | XXX |

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

## SCHEDULE E - PART 1 - CASH

[illegible]

## SCHEDULE E - PART 2 CASH EQUIVALENTS

| 1<br>CUSIP<br>Identification   | 2<br>Description | 3<br>Code | 4<br>Date Acquired | 5<br>Rate of Interest | 6<br>Maturity Date | 7<br>Book/Adjusted<br>Carrying Value | 8<br>Amount of Interest<br>Due and Accrued | 9<br>Gross Investment Income |
|--------------------------------|------------------|-----------|--------------------|-----------------------|--------------------|--------------------------------------|--|------------------------------|
| NONE                           |                  |           |                    |                       |                    |                                      |  |                              |
| 0199999 Total Cash Equivalents |                  |           |                    |                       |                    |                                      |  |                              |